

AMENDED IN SENATE APRIL 22, 2009

SENATE BILL

No. 628

Introduced by Senator Ashburn

February 27, 2009

An act to add Section ~~22868~~ 22894 to the Government Code, relating to county employees.

LEGISLATIVE COUNSEL'S DIGEST

SB 628, as amended, Ashburn. County employees: health benefit system.

The Public Employees' Medical and Hospital Care Act (PEMHCA) provides that an employee or annuitant is eligible to enroll in an approved health benefit plan, as specified. PEMHCA authorizes a contracting agency, as specified, to elect to become subject to the act, along with the agency's employees and annuitants. *Existing law establishes certain minimum rates for contracting employer contributions in this regard and requires that the employer contribution be equal for both employees and annuitants.*

This bill would permit a contracting agency of PEMHCA and the exclusive representative of employees of that agency to agree through collective bargaining that the employer contribution for employee and annuitant health benefits coverage for employees first hired on or after the effective date of a memorandum of understanding may differ from the employer contribution provided to existing employees and annuitants. The bill would provide that these provisions are not subject to labor negotiation impasse procedures. The bill would require a contracting agency that applies a different contribution rate to employees not represented by a bargaining unit to certify that, with regard to those employees, there is not an applicable memorandum of

understanding. The bill would provide that an agreement reached in this regard is not valid if it provides an employer contribution for employees with less than five years of credited service with the contracting agency.

~~This bill would authorize a county board of supervisors to contract with the Public Employees' Retirement System to provide a 2-tiered health benefit system for the county's annuitants. This bill would establish, on a date designated by the county board of supervisors, a 2-tiered health benefit system for annuitants.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 22894 is added to the Government Code,*
2 *to read:*

3 22894. (a) A contracting agency and the exclusive
4 representative of employees of that agency may agree through
5 collective bargaining that the employer contribution for employee
6 and annuitant health benefits coverage for employees first hired
7 on or after the effective date of a memorandum of understanding
8 may differ from the employer contribution provided to existing
9 employees and annuitants pursuant to Sections 22890 and 22892.
10 This issue may not be subject to labor negotiation impasse
11 procedures.

12 (b) If the memorandum of understanding establishes a
13 retroactive effective date, any employee who is first hired on or
14 before the date the memorandum of understanding is signed shall
15 retain status as an existing employee for purposes of determining
16 eligibility for postretirement health benefits coverage.

17 (c) If the contracting agency applies a different contribution
18 rate to employees not represented by a bargaining unit, the
19 contracting agency shall certify to the board that, with regard to
20 those employees, there is not an applicable memorandum of
21 understanding.

22 (d) An agreement reached pursuant to subdivision (a) is not
23 valid if it provides an employer contribution for employees with
24 less than five years of credited service with the contracting agency.

25 (e) The contracting agency shall provide, in the manner
26 prescribed by the board, notice any agreement entered into

1 *pursuant to this section and any additional information necessary*
2 *to implement this section.*

3 ~~SECTION 1. Section 22868 is added to the Government Code,~~
4 ~~to read:~~

5 ~~22868. (a) A county board of supervisors is authorized to~~
6 ~~contract with the Public Employees' Retirement System to provide~~
7 ~~a two-tiered health benefit system for the county's annuitants.~~

8 ~~(b) Effective on a date designated by a county board of~~
9 ~~supervisors, there shall be a two-tiered health benefit system for~~
10 ~~annuitants.~~

11 ~~(c) This section shall apply to a public body or agency of, or~~
12 ~~within, the state that is not subject to the County Employees~~
13 ~~Retirement Law of 1937 (Chapter 3 (commencing with Section~~
14 ~~31450) of Part 3 of Division 4 of Title 3) and that is a contracting~~
15 ~~agency, as defined in Section 20022.~~